

## REMARKS

Claims 1, 4, 6-10, 12-15, 18-28, 30-32, 34-38, 40-51 and 53-67 are pending. Claims 1, 4, 6-10, 12-15, 18-28, 30-32, 34-38, 40-51 and 53-67 have been rejected. Claims 15 and 41 are amended to correct typographic errors. Claims 1, 32 and 51 are amended to clarify that the processing devices and storage devices are used in the method claims. Support for the amendments can be found in the specification as filed and particularly at, for example, paragraph [0062] on pages 13-14 of the specification. Accordingly, no new matter has been added by way of this amendment. Reconsideration of all the pending claims in view of the remarks below is respectfully requested.

Amendments to the claims are shown above with insertions shown in underlined text, and deletions shown in ~~[[double brackets]]~~ when five or fewer consecutive characters are deleted and in ~~strikethrough-text~~ otherwise.

### ***Claim Rejections Under 35 U.S.C. §112, first paragraph***

Claims 1, 6-12, 14, 15, 17-19, 21, 22, 24-28, 31-35, 40-42, 44, 46, 50-55, 57-61, 63, 64, and 66-67 are rejected under 35 U.S.C. §112, first paragraph, as allegedly failing to comply with the enablement requirement. The Examiner asserts that the claims contain subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Applicants respectfully disagree.

"To be enabling, the specification of a patent must teach those skilled in the art to make and use the full scope of the claimed invention without 'undue experimentation' . . . Nothing more than objective enablement is required, and therefore it is irrelevant whether this teaching is provided through broad terminology or illustrative examples." See *In re Wright*, 999 F.2d 1557 (Fed. Cir. 1993). Nevertheless, not everything necessary to practice the invention need be disclosed. In fact, what is well-known is best omitted. M.P.E.P. § 2164.08 (citing *In re Buchner*, 929 F.2d 1557 (Fed. Cir. 1993)). Enablement "is not precluded even if some experimentation is necessary,

although the amount of experimentation needed must not be unduly extensive." See *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367 (Fed. Cir. 1986) (emphasis added).

The claimed invention is directed to a method of tracking environmental emission reductions that is applicable to production practice related to at least one of the following production sectors: agriculture, forestry, petroleum production, gas production, enhanced oil recovery, fuel production, ethanol production, semiconductor manufacturing, metal production, coal production, deep geologic sequestration, durable goods manufacturing, and waste management. One skilled in each production sector would have knowledge of how to collect production practice data in order to track the environmental emission reduction. One of skill in the art would also know which protocol(s) and conversion factor(s) are applicable to convert the production practice data to environmental data and then to an emission reduction unit for a transferring thereof. Protocols developed from US Environmental Protection Agency and World Resources Institute/World Business Council for Sustainable Development initiative are well-known in the art and readily available to the public. Accordingly, there is no need for Applicants to specifically disclose what is already well-known in the art. Moreover, as disclosed in the specification of US Patent Application Serial Number 10/720,797, which was filed on the same date with and incorporated by reference in its entirety into the instant specification, conversion factors include "IPCC Global Warming Potential (GWP) conversion factors (to enable equivalent comparison of different greenhouse gases in terms of carbon dioxide equivalents)." See lines 6-8 of paragraph [0062] on page 14. As US Patent Application Serial Number 10/720,797 was incorporated by reference in its entirety into the instant specification, it is a part of the instant specification as filed as if the text was repeated. See M.P.E.P. §2163.07(b).

Applicants respectfully submit that a person of ordinary skill in the art, reading the instant specification and the claimed subject matter, would know how to make and use the claimed subject matter without undue experimentation. For at least these reasons, Applicants respectfully request the Examiner reconsider and withdraw the rejection to

Claims 1, 6-12, 14, 15, 17-19, 21, 22, 24-28, 31-35, 40-42, 44, 46, 50-55, 57-61, 63, 64, and 66-67 under 35 U.S.C. §112, first paragraph.

***Claim Rejections Under 35 U.S.C. §101***

Claims 1-67 are rejected under 35 U.S.C. §101, as allegedly being directed to non-statutory subject matter. Specifically, the Examiner asserts that the claims are not tied to another statutory class of invention (such as a particular apparatus), or do not involve transformation of the subject matter into a different state or thing. The Examiner acknowledges that Applicants claim the steps of a process. However, the Examiner asserts that Applicants fail to claim or mention the presence of another statutory class. The Examiner further asserts that the use of an apparatus is also not claimed. The Examiner accordingly concludes that Claims 1-67 are directed to non-statutory subject matter. Applicants respectfully disagree.

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

According to recent Federal Circuit decisions, a claimed process is patent-eligible under § 101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See *Benson*, 409 U.S. at 70, *Diehr*, 450 U.S. at 192, *Flook*, 437 U.S. at 589 n.9 and *Cochrane v. Deener*, 94 U.S. 780, 788 (1876). The basis for the machine-or-transformation test is the prevention of pre-emption of fundamental principles. The Federal Circuit notes for clarity that the electronic transformation of the data itself into a visual depiction in *Abele* was sufficient; the claim was not required to involve any transformation of the underlying physical object that the data represented. The Federal Circuit concludes that [s]o long as the claimed process is limited to a practical application of a fundamental principle to transform specific data, and the claim is limited to a visual depiction that represents

specific physical objects or substances, there is no danger that the scope of the claim would wholly pre-empt all uses of the principle. See *In Re Bilski and Warsaw*, 545 F.3d 943, 88 U.S.P.Q.2d 1385 (Fed. Cir. 2008).

The amended claims are clearly tied to a particular machine or apparatus. The step of converting the production practice data to environmental data using pre-selected conversion factors and the step of converting at least a portion of the environmental data to a plurality of emission reduction units as recited in Claims 1 and 51 are tied to a processing device known in the relevant art. The step of storing production practice data and the step of storing a plurality of identifiers in the database as recited in Claim 32 are tied to a storage medium known in the relevant art. Therefore, the claimed invention is directed to a method of transforming the initial production practice data to a set of data describing the environmental emission reduction which can be applied differently, using processing devices and storage media.

All other pending dependent claims include all the limitations of the independent claims 1, 32 and 51, and therefore are all directed to a method of tracking environmental emission reduction by transforming the initial production practice data to a set of data describing the environmental emission reduction which can be applied differently, using processing devices and storage media.

Applicants respectfully submit that all the pending claims are directed to a method of tracking reduction in GHG, such as CO<sub>2</sub>, and the like, using processing devices and storage media. There is no danger that the scope of the claim would wholly pre-empt all uses of any principle. Applicants respectfully submit that for at least these reasons the claimed subject matter meets the requirements of U.S.C. 35 §101 in view of the recent Federal Circuit decisions. Applicants respectfully request the Examiner reconsider and withdraw the rejection to Claims 1, 4, 6-10, 12-15, 18-28, 30-32, 34-38, 40-51 and 53-67 under U.S.C. 35 §101.

### ***Claim Rejections Under 35 U.S.C. §103***

Claims 1, 4, 6-10, 12-15, 18-28, 30-32, 34-38, 40-51, 53-67 are rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over U.S. Patent Application Serial No. 11/034,752 by Sandor et. al. (hereinafter "Sandor") in view of U.S. Patent No. 6,108,617 issued to Schomer (hereinafter "Schomer"). Specifically, the Examiner asserts that Sandor teaches methods for facilitating trading of emission by collecting activity data based on energy consumption and converting the activity data to one of GHG emission or GHG emission conversion equivalents. The Examiner acknowledges that Sandor does not teach assigning a respective identifier to each resultant emission reduction unit to characterize a succession thereof and a vintage portion. The Examiner asserts that this deficiency is rescued by Schomer. Applicants respectfully disagree.

### ***Standard for Obviousness***

The Patent and Trademark Office has the burden under section 103 to establish a *prima facie* case of obviousness. *In re Plasecki*, 745 F.2d 1468, 1471-72, 223 USPQ 785, 787-87 (Fed. Cir. 1984). To establish a *prima facie* case of obviousness, three basic criteria must be met: first, the prior art reference (or references when combined) must teach or suggest all the claim limitations; second, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings; finally, there must be a reasonable expectation of success. See M.P.E.P. §2143.

An essential characteristic of any *prima facie* case of obviousness is that there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. The present rejection fails to make a *prima facie* case of obviousness because, at least, there is not suggestion or motivation, either in

the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings.

As discussed above, the current invention is directed to a method of tracking reduction in GHG, such as CO<sub>2</sub>, and the like. Therefore, the identifiers assigned to the resultant emission reduction units are not non-functional descriptive material, but functional claim limitations. The identifiers characterize, for example, the time period for the production practice, a geographical reference for the producer, the protocol used for the conversion, etc. To track the reduction in GHG and the like, these parameters such as the time period and geographic reference are crucial. Accordingly, the identifiers that characterize these crucial parameters are important claim limitations. Applicants respectfully submit these claim limitations should be given patentable weight.

The Examiner alleges that Sandor teaches methods for facilitating trading of emission by collecting activity data based on energy consumption and converting the activity data to one of GHG emission or GHG emission conversion equivalents. The Examiner acknowledges that Sandor does not teach assigning a respective identifier to each emission reduction unit to characterize a succession thereof and a vintage portion. The Examiner asserts that this deficiency is rescued by Schomer.

Schomer teaches a method of establishing a correspondence between chemical use and the process where use occurs by assigning the process a process identification number. After chemicals have been assigned into an inventory, the chemicals are assigned to the process and a report is generated reporting the chemical use corresponding to the process.

The claimed invention is not obvious over Sandor in view of Schomer for at least the following two reasons. Firstly, there is no suggestion or motivation in Sandor to assign a respective identifier to each environmental emission reduction unit. Secondly, it is not obvious for a person of ordinary skill in the art to combine Sandor with Schomer. Schomer teaches a method of establishing a correspondence between chemical use

and the process where use occurs, but its teachings are drawn to a subject matter and purpose that are vastly different from that of Sandor.

Applicants respectfully submit that for at least these reasons Claims 1, 4, 6-10, 12-15, 18-28, 30-32, 34-38, 40-51, 53-67 are not obvious over Sandor in view of Schomer. Applicants respectfully request that the Examiner reconsider and withdraw the rejection to these claims under 35 U.S.C. §103.

### **Conclusion**

Applicants submit that the present Application is in condition for allowance and respectfully request the same. If any issues remain, the Examiner is cordially invited to contact Applicants' representative at the number provided below in order to resolve such issues promptly.

Please charge any additional fees, including any fees for extension of time, or credit overpayment to Deposit Account No. 04-0258.

Respectfully submitted,

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